



Department of Energy

Office of Science
Chicago Office
9800 South Cass Avenue
Argonne, Illinois 60439

Fermi National Accelerator Laboratory

Executive Summary of

Solicitation No. DE-RP02-06CH11359

July 10, 2006

TO: Prospective Offerors

SUBJECT: REQUEST FOR PROPOSALS (RFP) NO. DE-RP02-06CH11359 FOR
THE SELECTION OF A MANAGEMENT AND OPERATING
CONTRACTOR FOR THE FERMI NATIONAL ACCELERATOR
LABORATORY (FNAL)

This letter is a summary of the salient elements of the acquisition, but is not an integral part of the attached RFP. Should there be any conflict between this Executive Summary Letter and the RFP, the data and information in the RFP shall prevail.

The Department of Energy (DOE), Chicago Office is releasing the RFP for award of a contract for the management and operation of FNAL. DOE is seeking proposals from qualified organizations interested in competing for this contract.

Specific details of the contract performance requirements are described in the RFP. The RFP can be found on the Industry Interactive Procurement System (IIPS) at URL <http://e-center.doe.gov>. All questions regarding the RFP must be submitted through the "Submit Questions" feature on IIPS. The Government asks that this process be used rather than letters, e-mails, and/or telephone calls. Responses, if required, will also be posted on IIPS.

It is requested that all questions on the RFP be submitted by August 11, 2006.

FNAL is a DOE Office of Science high-energy physics laboratory located on 6800 acres approximately 45 miles west of Chicago.



Fermilab's mission is to advance the understanding of the fundamental nature of matter and energy by providing leadership and resources for qualified researchers to conduct research at the frontiers of high-energy physics and related disciplines. To carry this out, Fermilab has a staff of approximately 2,000 employees and an annual budget of about \$315 million. It operates the world's highest energy particle accelerator, the Tevatron, on a 6,800-acre site. Approximately 2,500 scientists from 230 universities and laboratories in 35 states and 30 countries carry out research at the "energy frontier," the highest energy environment for discovery of particle physics in the world today. Fermilab scientists also pursue research in particle astrophysics and cosmology, exploring the convergence of the inner space of the tiniest elementary particles, and the outer space of the structure and evolution of the universe.

Fermilab operates the following user facilities:

- The Tevatron, the world's highest energy particle accelerator.

The Tevatron creates millions of high-energy proton-antiproton collisions per second to allow physicists to study the smallest things human beings have ever detected and their relationship to the evolution and structure of the universe.

- MiniBooNE, a neutrino oscillation experiment.

MiniBooNE's results will provide a stringent test of the Standard Model view of neutrino physics.

- NuMI/MINOS, a long-baseline neutrino oscillation experiment.

The MINOS neutrino detectors include a far detector located 400 miles away in the Soudan Iron Mine, half a mile underground in northern Minnesota, and a near detector located at Fermilab. It uses a beam of neutrinos (NuMi) from Fermilab to study the phenomenon of neutrino mass.

In addition, Fermilab is the host laboratory for US/CMS, the U.S. section of the Compact Muon Solenoid Collaboration that will build and operate one of two large detectors at the Large Hadron Collider (LHC) at CERN. Fermilab is also the host laboratory for the U.S. efforts building components for the LHC and the U.S. accelerator R&D program with the LHC. When the LHC begins operations later this decade, experiments at the new energy frontier will provide profound new insight into the mystery of why particles have mass.

In order to further the Government's policy of maximizing electronic commerce and making the acquisition process optimally cost effective, electronic media will be the primary method of communication from the Government regarding this solicitation. The

solicitation, solicitation amendments, responses to questions, and other official communications from the Government will be posted on IIPS. An information library regarding the solicitation is located at URL <http://rfpfnal.sc.doe.gov>. Offerors are responsible for checking IIPS and the information library website frequently for information, notices, and updates regarding this solicitation.

The objective of the solicitation is to select the Contractor most capable of managing and operating the FNAL programs and facilities. A Source Evaluation Board (SEB) has been established to evaluate proposals submitted in response to the RFP. The SEB will conduct its activities in accordance with DOE's regulations and policies. Proposals will be evaluated in accordance with the specific methodology and evaluation criteria set forth in Part IV, Section M of the RFP.

Significant items of interest concerning this Draft solicitation

Offerors are encouraged to pay particular attention to the following aspects of the RFP:

Contract Type. DOE will award a single, cost-plus performance-fee management and operating contract to the responsible Offeror whose proposal represents the best value to the Government. The Government intends to evaluate proposals and award a contract without discussions with Offerors (except clarifications as described in FAR 15.306(a)). Therefore, the Offeror's initial proposal should contain the Offeror's best terms from a technical and cost or price standpoint. The Government reserves the right to conduct discussions if the Contracting Officer later determines them to be necessary (Refer to Section L, Provision L.15).

Award Term Incentive. The base term of the contract is five years. The proposed contract contains a non-monetary performance incentive which will allow the selected Offeror to earn up to an additional fifteen years of contract term for exemplary performance. (Refer to Section F, Clause F.2).

Separate Corporate Entity. The work performed under this Contract must be conducted by a separate corporate entity from its parent organization(s). The separate corporate entity must be set up solely to perform this Contract and shall be totally responsible for all Contract activities. In addition, the parent organization(s) or all member organizations shall guarantee the Contractor's performance by signing the Performance Guarantee(s) incorporated in the contract. (Refer to Section H., Clause H.20 and Section J, Attachment J.12).

Fee(s). DOE anticipates awarding performance fee under this contract. The total available fee pool for this contract for the five-year contract term shall not exceed \$17.750 Million. Offerors must propose a maximum performance fee for each fiscal year set forth in Section B, Clause B.3(b) which does not exceed the maximum annual performance fee of \$3.550 Million. See Section L., Provision L.9(c). Home Office Expenses and Corporate Oversight Expenses may be allowable pursuant to current DOE policy and will be addressed post award. **It is important to note that the Department's position on the consideration of contractor submitted proposals for the allowability of home expenses are delineated in the Department of Energy Acquisition Regulation (DEAR) 970.3102-3-70 and further described in Acquisition Letter (AL) 2005-11. For purposes of this RFP, the offeror should be guided in particular by the Department's view that, in accordance with DEAR 970.3102-3-70, "DOE's Fee for Management and Operating contracts, determined under the policy of and calculated per the procedures in 48 CFR 970.1504-1-3, generally provides adequate compensation for home or corporate office general and administrative expenses incurred in the general management of the contractor's business as a whole." Under rare, unusual and compelling reasons, the contractor may submit proposals for compensation for non-routine home office expenses, beyond fee. Such proposals may be furnished to the Contracting Officer only where AL 2005-11 procedures have been followed, well in advance of the work, and with the understanding that the submission of a proposal to the Contracting Officer must demonstrate the benefit DOE derives and that submission does not necessarily imply that the DOE consents to reimburse any part, or all, of the proposed expenses.** In addition, Offerors must also propose a maximum annual earnable performance fee in Clause B.3(c) for each of the first five years of any additional award term. The total available performance fee pool for the first five years of any additional award term shall not exceed \$17.750 Million. No fee is payable for the contractor's performance of any Transition Activities. (Refer to Section B, Clause B.3, Section H, Clause 42, and Section L, Provision L.9).

Performance Evaluation Measurement Plan. The Appendix B set forth in Section J as Attachment J.2 contains the Performance Goals, Objectives, Measures and Targets which will be used to evaluate the selected Contractor's performance for FY07.

Employee Retention. Subject to appropriation of the requisite funding, the selected Offeror will be required to retain the current workforce, with the exception of the positions reflected on the chart in Part IV, Section L, Appendix 6, List A. (Refer to Section H, Clause H.21 and Section L, Provision L.38).

Compensation and Benefits. Except for the positions in Part IV, Section L, Appendix 6, the selected Offeror shall provide equivalent pay and comparable benefits to incumbent employees for at least the first year of the contract to that provided by the current incumbent contractor. (Refer to Section H, Clause H.21 and Section L, Provision L.38). New employees shall receive a market-based benefit package.

Pension Plan. The selected Offeror will establish a separate pension plan, distinct from a corporate pension plan, meeting the requirements of IRC and ERISA, as applicable, that credits service earned at FNAL. (Refer to Section H, Clause H.21 and Section L, Provision L.38).

Bargaining Agreements. The selected Offeror will be expected to provide employment terms and conditions consistent with those provided under the current agreements until bargaining unit employees electing to organize have transitioned to new collective bargaining agreements. (Refer to Section L, Provision L.38 and Part IV, Section L, Appendix 4).

Small Business Plan. Offerors are required to submit an acceptable Small Business Subcontracting Plan with their offer. For purposes of Offerors' development of the Small Business Subcontracting Plan, the information library includes a copy of the current contractor's Small Business Subcontracting Plan and small business accomplishments. (Refer to Part IV, Section L, Provision L.12 and Section J, Attachment J.8).

Transition Plan. Offerors are required to provide a transition plan covering a phase-in period of a maximum of two months prior to assuming responsibility for the management and operations of FNAL. This plan should address specific steps necessary to assume full responsibility for management and operation of FNAL as of 12:01 A.M., January 1, 2007. (Refer to Section H, Clause H.42 and Part IV, Section L, Provision L.6).

Transition Cost. Offerors are required to submit a cost estimate for all transition activities in the format described in Part IV, Section L, Appendix 3. The transition period will be on a cost-reimbursement (no fee) basis, subject to the cost principles of FAR 31 and DEAR Part 931, and limited to the amount specified in the Offeror's transition cost proposal. (Refer to Section B, Clause B.3; Section H, Clause H.42; and Part IV, Section L, Provision L.9).

Site Tours. Prospective Offerors interested in attending a site tour must register with the SEB's Executive Secretary, Tonja Stokes at tonja.stokes@ch.doe.gov by July 17, 2006. Based on the volume of requests received, the SEB will determine whether or not to hold a site tour. Additional information will be posted on the information library website and IIPS at a later date. (Refer to Part IV, Section L, Provision L.43).

Proposal Due Date. Proposals, and any modifications or revisions, are due on August 24, 2006, by 4:30 p.m., Central Standard Time. Proposals may be submitted in writing or electronically through IIPS. Instructions for submission of proposals are located in Section L. Late proposals, modifications, and withdrawals will be treated in accordance with Provision L.15 - FAR 52.215-1 – Instructions to Offerors – Competitive Acquisition (Jan 2004). (Refer to Part IV, Section L, Provision L.14).

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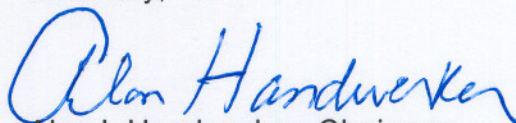
Oral Presentations. All Offerors are required to make oral presentations to the SEB during the week of September 18, 2006. The SEB will schedule the oral presentations via lottery and will notify each Offeror, within ten working days after the date for receipt of proposals, of the date and time of its oral presentation. The oral presentation will be held at a location on the site of the DOE Chicago Office, 9800 South Cass Avenue, Argonne, IL 60439. The Government reserves the right to reschedule the oral presentation at its discretion, and the Government shall not consider requests to reschedule the oral presentation except in extenuating circumstances. Evaluation of proposals will be based on both the written information and the oral presentation (Refer to Part IV, Section L, Provision L.10).

Evaluation Criteria. The RFP describes the criteria DOE will use in selecting a successful future contractor. Key criteria include the potential contractor's management strategy and approach to achieving excellence in both world-class scientific research and development, as well as in operations and business management; key personnel, including the proposed laboratory director; experience and past performance in both science and business management; the Offeror's strategy for fulfilling DOE's mission for the laboratory; the Offeror's involvement/resources; and the Offeror's proposed transition plan. (Refer to Section M and Section L, Provisions L.2-L.8).

The Government will evaluate cost proposals for reasonableness and realism and will consider transition period costs and the Key Personnel's annual compensation costs for the first year. A contract will be awarded to the responsible Offeror whose proposal represents the best value to the Government. (Refer to Sections M.9 and M.10).

Offerors intending to submit an offer in response to this RFP should send an e-mail to the SEB's Executive Secretary, Tonja Stokes at tonja.stokes@ch.doe.gov no later than July 24, 2006. (Refer to Section L.49).

Sincerely,


Alan I. Handwerker, Chairman
Source Evaluation Board

Enclosure:

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